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SUBJECT: MEDIA REACTION: THE RISE OF CHINA

Summary: The Taipei dailies continued June 30 to focus their news coverage on local politics and the Executive Yuan's approval of a package of revisions to the Referendum Law, but some newspapers turned to the topic of China's rise and the possible threat it could pose to the United States and Taiwan on their editorial pages. An editorial in the pro-independence "Liberty Times," Taiwan's biggest daily, urged the world to be vigilant about the expansion of Chinese hegemony. A centrist "China Times" commentary, however, noted that the United States' plan to contain the rise of China completely meets the interests of the Chen Shui-bian administration. End summary.

A) "People All over the World Should Be Alert about the Expansion of the Chinese Hegemony"

The pro-independence "Liberty Times" [circulation: 800,000] asserted in its editorial (6/30):

". To eliminate the world's vigilance about its rise, China has deliberately put out a theory about China's peaceful rising in an attempt to put on a fake mask of 'peace'. But the emergence of China is like a rocket soaring into the sky; once it loses control and crashes, it will not only generate a big economic shock but will also create a big disaster for global peace and order. . Taiwan's first-ever National Security Report, to be released soon, has clearly listed 'China's rise' as the biggest variable in the security of Taiwan's exterior environment. China's enactment of the 'Anti-Secession Law' is in reality an element of its strategy to expand its sea power, an attempt to annex Taiwan and use it as a 'forward base' for its long-term sea power expansion strategy. China also put its hand into Southeast Asia by promoting the 'good neighbor policy,' 'ASEAN plus Three,' and 'China-ASEAN free trade zone.'

"In a nutshell, the rise of China does not indicate the positive interaction of globalizing economics but a potential regional military conflict crisis. It symbolizes disaster rather than opportunity. Taiwan will be the first to bear the brunt of [such an impact], and thus it must not have any unrealistic illusions about the Chinese market. Taiwan needs to thoroughly 'de-sinicize' in terms of economic development and national identity so that it can become a normal country in the short term and establish itself into a paradise for its people and the generations to come in the long term."

B) "Bian Echoes United States' [Call to] Contain the Rise of China"

Journalist Lin Shu-ling commented in the "My Views" column of the centrist, pro-status quo "China Times" [circulation: 600,000] (6/30):

"Even though the contents of [Taiwan's first] 'National Security Report,' currently drafted by the Presidential Office, are not yet clear, the policy direction released by high-ranking officials recently shows that it is quite evident that the Bian administration intends to jump on the U.S. wagon of containing 'the rise of China' and strengthen the alliance between Taiwan and the United States. .

"The United States has shown great concern lately about the threat caused by 'the rise of China.' China, heeding the U.S. concern, has been acting very cautious, trying to avoid talking about this issue in a big way. It also uses the words 'China's development' to replace 'the rise of China' to avoid goading the United States excessively. But no matter how China tries to package [its intent], its significant increases in military expenses, the active expansion overseas of its state-run enterprises, and its resistance to the appreciation of its currency have all

posed threats to the United States and both countries continue to compete with each other without really talking about it. .

"Judged from the perspective of opposing the `rise of China,' many voices in the United States are saying the main reason behind the soaring Chinese economy is Taiwan businessmen's capital and technology invested in China. Lately, similar discussions are underway as a result of the heated discussion about China National Offshore Oil Corporation's plan to buy U.S.-based Unocal Corporation. The Chen Shui-bian administration's recent move to discuss plans to tighten Taiwan's cross-Strait trade policy again seems to be an echo of the Unocal case and an attempt to curry favor [with the United States].

"Washington's attempt to contain the `rise of China' completely meets the interests of the Chen Shui-bian administration. The Taiwan authorities' intention to ride on the wagon [with the United States] is more than evident. But it remains to be seen whether the Taiwan businesses which have relied deeply on China's economy can stand the government's sudden change of policy and what the government's follow-up actions will be."

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